

Capital Improvements Program

Funding Sources

The Capital Improvements Program (CIP) uses a variety of funding sources to support projects. This section outlines some of the more common funding sources used in the CIP.

Bond Financing

Bond financing is a long-term borrowing tool used to meet the City's cash flow needs and to provide funds for capital projects. In Fiscal Year 2009, the City Council approved a private financing agreement to provide funding for deferred capital projects throughout the City. The list of deferred capital projects includes improvements to City streets, buildings, and storm drains.

Capital Outlay

Capital Outlay Funds are used exclusively for the acquisition, construction, and completion of permanent public improvements or real property; replacement or reconstruction of public facilities; and other improvements of a permanent character. Repair or maintenance expenditures cannot be made from the Capital Outlay Funds. Revenue for the Capital Outlay Fund is derived primarily from the sale of City-owned property but may also come from other sources per Section 77 of the San Diego City Charter. In addition, San Diego City Ordinance No. 12685 (New Series) further specifies that all proceeds from sales or leases of the Pueblo Lands of San Diego be utilized to finance police substations and other permanent improvements for police purposes.

Development Impact Fees

Development Impact Fees (DIF) are collected to mitigate the impact of new development in urbanized communities that are near build-out. The amount of the DIF is based on a portion of the financing needed for identified public facilities. Property being developed is assessed the fee(s) at the time the building permit is issued.

Donations and Developer Funding

Projects may be funded by contributions and/or donations from private sources, such as residents, developers, private organizations, and businesses. Contributions by developers and vendors may be reimbursed with City funds in future years.

Enterprise Funds

Enterprise Funds account for specific services that are funded directly by fees and charges to users. These include the services provided by Public Utilities, Environmental Services, Airports and Golf Courses. These funds are intended to be fully self-supporting and are not typically subsidized by any general revenue or taxes. Within each Enterprise Fund, budgets are developed which are sufficient to fund current year operations and maintenance expenses, as well as provide for current and future years' upgrade, replacement, and expansion-related capital construction requirements.

Facilities Benefit Assessments

Facilities benefit assessments (FBA) provide 100 percent of funding for public facilities projects that service a designated area of benefit and are identified in the public facilities financing plan. The dollar amount of the assessment is based upon the cost of each public facility equitably distributed over a designated area of benefit in the community planning area. Assessments are recorded as liens with the County Assessor's Office. Property being developed is assessed at the time the building permit is issued. The amount of the assessment is determined by the type and size of the development.

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General Fund

The City's main operating fund that pays for basic City services that use most of the City's tax revenue, such as public safety, parks, and library services. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings. Some allocations to the CIP budget are allocated from the operating budget of General Fund departments.

Grants

Some projects are entirely or partially funded by grants and reimbursements from the State and federal government and other agencies. The receipts of certain grants and reimbursements typically follow the award of contracts; therefore, other City funding is programmed for front-end financing of the total estimated project costs. Grant funding includes State and federal grants and grants from proceeds from State bond issuances. For example, Community Development Block Grant (CDBG) funding is programmed in accordance with Council Policy 700-2 (amended November 24, 2009). CIP priorities are developed irrespective of whether or not CDBG funding is to be received by the City. CDBG funding is to be used to supplement the City's CIP program and not as a substitute for other City funding.

Internal Service Funds

Internal Service Funds are established for the financing of goods or services provided by one City department to another City department on a cost-reimbursement basis. Examples of Internal Service Funds used in the CIP budget are the Energy Conservation Program Fund and the Fleet Services Internal Service Fund.

Maintenance Assessment Districts

Maintenance Assessment Districts (MADs) are established by the City of San Diego as a means of providing property owners with the opportunity to assess themselves to pay for enhanced improvements, maintenance, services and activities. Certain projects requested by a district may be capital in nature and are funded by the specific MAD. MAD budgets are developed with sufficient funding for current year maintenance and capital projects.

Mission Bay and Regional Park Improvements Funds

Mission Bay rents and concessions revenue is allocated to the Mission Bay and Regional Park Improvements Funds in accordance with the San Diego City Charter, Article V, Section 55.2. The funds in the Mission Bay Improvements Fund may only be expended in Mission Bay Park for permanent capital improvements and capital deferred maintenance of existing facilities, as well as to improve environmental conditions consistent with the Mission Bay Park Master Plan. The funds in the Regional Parks Improvements Fund may only be expended for capital improvements in San Diego's regional parks. The City of San Diego's regional parks include Chollas Lake Park, Balboa Park, Mission Trails Regional Park, Otay River Valley Park, Presidio Park, San Diego River Park, open space parks, and coastal beaches and parks.

Redevelopment Funding

The Redevelopment Agency of the City of San Diego was created by the City Council in 1958 to alleviate conditions of urban blight in designated areas of the City. Recently, the State of California passed legislation that impacted Redevelopment Agencies. Any redevelopment funding in the CIP was approved prior to the State's actions. Please refer to the Executive Summary in Volume I for more information.

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Special Revenue Funds

Special Revenue Funds account for revenue received for specifically identified purposes. Examples of Special Revenue Funds used in the CIP budget are the Concourse & Parking Garages Operating, Environmental Growth, Fire/Emergency Medical Services Transport, QUALCOMM Stadium, and the OneSD Support funds.

TransNet Funds

TransNet, a one-half cent local sales tax, is used for traffic congestion relief and transportation improvements. In addition to roadway enhancements, TransNet Funds are utilized for bikeway and pedestrian projects. TransNet includes a Maintenance of Effort (MOE) provision to guarantee that the City spends a certain amount of discretionary funds on the maintenance and improvement of the public right-of-way. The City utilizes TransNet cash for projects as much as possible in an attempt to minimize the issuance of bonds due to added costs of debt service. TransNet Commercial Paper is a borrowing tool that can be used to raise cash needed to cover cash-flow deficits and is generally viewed as a lower-cost alternative to bank loans. In an attempt to further minimize debt service costs, the issuance of TransNet Commercial Paper may be utilized when feasible.

Utilities Undergrounding Program Fund

This fund provides for the undergrounding of City utilities. San Diego Gas & Electric (SDG&E) includes a surcharge for the undergrounding of utilities on electric bills. This amount is deposited with the City to be used solely for the undergrounding of electrical lines and associated activities.

A complete list of funding sources in the CIP and their budgets are provided below in Table 1.

Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2013 Proposed	Future Fiscal Years	Funding Source Total
Airport Funds	9,834,494	2,400,000	15,840,140	28,074,634
Bond Financing	5,832,808	-	-	5,832,808
Capital Outlay - Land Sales	54,444,268	-	300,000	54,744,268
Capital Outlay - Other	5,174,509	-	-	5,174,509
Capital Outlay - Police Decentralization Land Sales	1,822,864	-	-	1,822,864
Concourse & Parking Garages Operating Fund	550,000	50,000	-	600,000
Deferred Capital Projects Bonds	103,298,000	-	499,580,000	602,878,000
Developer Funding	14,773,432	1,365,000	6,350,000	22,488,432
Development Impact Fees	61,576,068	9,356,000	627,000	71,559,068
Donations	45,758,691	-	48,875,975	94,634,666
Energy Conservation Program Fund	1,183,085	-	-	1,183,085
Energy Upgrades CEC Loan Fund	5,107,243	-	-	5,107,243
Environmental Growth Funds	3,646,504	-	-	3,646,504
Facilities Benefit Assessments	413,640,240	-	175,623,670	589,263,910
Federal Grants	81,905,031	-	80,005,517	161,910,548
Fiesta Island Sludge Mitigation Fund	3,530,959	-	-	3,530,959
Fire/Emergency Medical Services Transport Fund	400,000	-	-	400,000
Fleet Services Internal Service Fund	1,025,000	-	-	1,025,000
Gas Tax Fund	1,482,163	-	-	1,482,163

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Table 1: Capital Improvements Program by Funding Source

Funding Source	Prior Fiscal Years	FY2013 Proposed	Future Fiscal Years	Funding Source Total
General Fund	38,684,092	3,250,000	39,646,832	81,580,924
Golf Course Enterprise Fund	14,211,673	1,000,000	3,540,000	18,751,673
Habitat Acquisition Fund	4,064,205	-	-	4,064,205
Infrastructure Improvement Funds	711,172	-	-	711,172
Library System Improvement Fund	15,967,219	-	-	15,967,219
Maintenance Assessment Districts	7,032,232	590,000	1,290,000	8,912,232
Mission Bay Improvements Fund	8,093,293	503,095	-	8,596,388
Mission Trails Regional Park Fund	1,052,829	-	-	1,052,829
OneSD/ERP Funding	38,125,000	1,100,000	-	39,225,000
Other Funding	683,324,119	-	179,509	683,503,628
Other Grants	20,515,767	-	60,099,429	80,615,196
Parking Meter Districts	1,059,865	-	-	1,059,865
Proposition 42 - Transportation Relief Fund	5,175,866	-	-	5,175,866
QUALCOMM Stadium Fund	1,500,000	-	3,750,000	5,250,000
Recycling Fund	652,144	-	2,186	654,330
Redevelopment Funding	32,241,571	-	3,023,000	35,264,571
Refuse Disposal Fund	99,882,464	2,778,000	10,399,575	113,060,039
Regional Park Improvements Fund	13,714,429	2,500,000	12,500,000	28,714,429
San Diego Association of Governments	41,010,213	-	-	41,010,213
San Diego Unified School District	20,206,000	-	-	20,206,000
Sea World Traffic Mitigation Fund	4,000,000	-	-	4,000,000
Sewer Funds	513,296,538	69,857,117	510,434,372	1,093,588,027
State Grants	129,660,802	-	13,000,000	142,660,802
Storm Drain Fund	556,500	-	-	556,500
TransNet	111,621,102	-	-	111,621,102
TransNet - Extension	63,299,841	17,604,714	55,202,403	136,106,958
TransNet - Extension ARRA Exchange	14,117,600	-	-	14,117,600
TransNet - Extension Bikeways	4,137,520	-	-	4,137,520
Unidentified Funding	-	-	1,235,164,999	1,235,164,999
Utilities Undergrounding Program Fund	252,497,582	-	-	252,497,582
Water Fund	500,055,809	81,868,770	707,176,402	1,289,100,981
Grand Total	\$ 3,455,452,804	\$ 194,222,696	\$ 3,482,611,009	\$ 7,134,986,509

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Unidentified Funding

Some projects may lack sufficient identified funding to complete the project. These projects display an "unidentified funding" amount in the project pages. Each project with an unidentified amount is summarized in each department's Unfunded Needs List. A complete list of all projects with unidentified funding is provided below in **Table 2**

Table 2: Capital Improvement Projects Unfunded Needs.

Project	Department	Project Total	Unidentified Funding	Percent Unfunded
City Administration Building / S00819	Public Works - General Services	\$5,398,000	\$200,000	3.7%
La Jolla Village Drive and Regents Road / S00867	Transportation & Storm Water	1,370,900	90,900	6.6%
Genesee Avenue - Widen Interstate 5 Crossing / S00839	Transportation & Storm Water	102,300,000	7,700,000	7.5%
Windwood II Mini Park Play Area Upgrades / S11017	Park & Recreation	523,775	42,917	8.2%
West Mission Bay Drive Bridge Over San Diego River / S00871	Transportation & Storm Water	87,924,774	8,000,000	9.1%
Home Avenue Park / S00673	Park & Recreation	4,900,150	600,000	12.2%
Mission Trails Regional Pk Equest Comfort Station / S01073	Park & Recreation	613,000	104,000	17.0%
Del Mar Mesa Neighborhood Park / S00648	Park & Recreation	4,150,000	750,000	18.1%
Regents Road Widening-Genesee to Executive / S00881	Transportation & Storm Water	6,045,000	1,100,000	18.2%
Carmel Valley Neighborhood Park #8 / S00642	Park & Recreation	6,139,350	1,179,350	19.2%
Cabrillo Heights Neighborhood Park Improvements / S00763	Park & Recreation	843,000	165,000	19.6%
Hidden Trails Neighborhood Park / S00995	Park & Recreation	3,100,000	680,000	21.9%
Olive Street Park Acquisition and Development / S10051	Park & Recreation	2,931,585	730,000	24.9%
West Lewis and Falcon Streets Mini-Park / S00757	Park & Recreation	630,000	180,000	28.6%
Resurfacing of City Streets / AID00005	Transportation & Storm Water	492,141,499	152,680,176	31.0%
City Facilities Improvements / ABT00001	Public Works - General Services	179,852,886	57,390,784	31.9%

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Project	Department	Project Total	Unidentified Funding	Percent Unfunded
University Village Park Tot Lot / S13005	Park & Recreation	450,000	150,000	33.3%
Roosevelt Middle School Improvements / S00761	Park & Recreation	1,790,000	600,000	33.5%
Drainage Projects / ACA00001	Transportation & Storm Water	249,030,078	85,507,101	34.3%
Torrey Highlands Park Play Area Upgrades / S11020	Park & Recreation	940,377	338,305	36.0%
Sidewalk Repair and Reconstruction / AIK00003	Transportation & Storm Water	15,981,718	6,000,000	37.5%
Ocean Beach CDC - N Ocean Beach Revitalization / S01057	Park & Recreation	1,303,960	500,000	38.3%
Fire Station No. 45 - East Mission Valley / S00688	Fire-Rescue	12,016,400	4,877,708	40.6%
Skyline Hills Library / S00692	Library	16,817,715	7,063,463	42.0%
Chicano Park ADA Upgrades / S13003	Park & Recreation	700,000	300,000	42.9%
Mission Bay Athletic Area Comfort Stn Modernize / S10021	Park & Recreation	720,000	320,000	44.4%
Rancho Bernardo Street and Sidewalk Improvements / S00887	Transportation & Storm Water	137,553	65,800	47.8%
Sefton Field Improvements / S01012	Park & Recreation	1,000,000	500,000	50.0%
Old Otay Mesa Road- Westerly / S00870	Transportation & Storm Water	6,750,000	3,500,000	51.9%
Pershing Drive/Redwood Street Intersection / S00885	Transportation & Storm Water	1,626,000	872,516	53.7%
Inspiration Point Precise Plan / S00615	Park & Recreation	914,645	500,000	54.7%
Police Range Refurbishment / S10118	Police	4,046,734	2,223,870	55.0%
El Cajon Boulevard Streetscape Improvements / S00826	Park & Recreation	2,299,800	1,269,800	55.2%
Multiple Species Conservation / S01076	Park & Recreation	30,849,353	17,039,472	55.2%
Torrey Pines Road Slope Restoration / S00877	Transportation & Storm Water	5,226,220	3,000,000	57.4%
Del Mar Mesa Southern Multi-Use Trail / S00889	Park & Recreation	260,300	150,000	57.6%
34th Street Storm Drain / S11001	Transportation & Storm Water	183,000	108,000	59.0%

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Project	Department	Project Total	Unidentified Funding	Percent Unfunded
Silver Wing Neighborhood Park Sports Fld & Sec Lgt / S11051	Park & Recreation	725,000	430,000	59.3%
State Route 56 Bike Interchanges / S00955	Transportation & Storm Water	11,458,508	6,822,940	59.5%
El Camino Real - Half Mile to Via De La Valle / S00856	Transportation & Storm Water	32,408,869	19,941,511	61.5%
Otay Mesa Truck Route Phase 4 / S11060	Transportation & Storm Water	19,750,000	12,250,000	62.0%
Switzer Canyon/30th Street Bridge Enhancement Prgm / S10054	Park & Recreation	275,000	175,000	63.6%
Environmental Services Operations Yard Improvement / AFA00003	Environmental Services	701,050	455,000	64.9%
Mission Beach Boardwalk Bulkhead / S00726	Transportation & Storm Water	5,392,225	3,500,000	64.9%
Valencia Park Acquisition and Development / S11103	Park & Recreation	674,013	450,000	66.8%
State Route 163/Friars Road / S00851	Transportation & Storm Water	137,150,407	97,086,159	70.8%
Mission City Parkway/San Diego River / S00936	Transportation & Storm Water	10,057,812	7,270,497	72.3%
Sunset Cliffs Natural Park Hillside Improvements / S10091	Park & Recreation	2,600,000	1,900,000	73.1%
Saturn Boulevard-Palm Ave to Coronado / S00861	Transportation & Storm Water	1,323,698	1,015,955	76.8%
Wightman Street Neighborhood Park / S00767	Park & Recreation	3,049,000	2,363,000	77.5%
Lifeguard Station Headquarters / S00794	Fire-Rescue	12,563,500	10,000,000	79.6%
Del Mar Heights Road Center Median / S00884	Transportation & Storm Water	2,455,000	2,000,000	81.5%
Trail for All People / S13001	Park & Recreation	281,000	231,000	82.2%
North Pacific Beach Lifeguard Station / S10119	Fire-Rescue	5,075,444	4,185,444	82.5%
San Ysidro Branch Library / S00802	Library	12,186,000	10,070,000	82.6%
Fire Station No. 22 - Point Loma / S00787	Fire-Rescue	5,638,000	4,679,839	83.0%
Mission Hills Branch Library / S00804	Library	19,216,000	16,054,500	83.5%
Lake Murray Community Park Play Area Expansion / S11018	Park & Recreation	1,300,000	1,088,000	83.7%

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Project	Department	Project Total	Unidentified Funding	Percent Unfunded
University Ave/Alabama Bike & Ped Safety Imp / S00960	Transportation & Storm Water	750,000	630,000	84.0%
Coastal Erosion and Access / AGF00006	Park & Recreation	3,163,146	2,702,402	85.4%
Balboa Park Golf Course Parking Lot & Improvements / S00614	Park & Recreation	8,038,120	6,900,000	85.8%
Pacific Beach Obstructed Curb Ramp Barrier Removal / S11048	Transportation & Storm Water	370,000	320,000	86.5%
Mission Beach Boardwalk Widening Project / S00860	Transportation & Storm Water	3,163,500	2,753,000	87.0%
Sunshine Berardini Fields / S00759	Park & Recreation	684,113	600,000	87.7%
Ocean Front Walk-San Fernando to Ventura / S00875	Transportation & Storm Water	3,392,032	3,000,000	88.4%
Napa Street from Linda Vista Rd to Morena Blvd / S00849	Transportation & Storm Water	5,760,000	5,104,260	88.6%
Sorrento Valley Road & Interstate 5 Interchange / S00914	Transportation & Storm Water	53,019,000	47,000,000	88.6%
McKinley Elementary School Joint Use Improvements / S12001	Park & Recreation	1,702,500	1,523,000	89.5%
Fire Station No. 32 - Skyline North / S00687	Fire-Rescue	9,123,325	8,162,149	89.5%
Concrete Streets / AID00006	Transportation & Storm Water	24,100,000	21,600,000	89.6%
Alvarado Canyon Road Realignment / S00894	Transportation & Storm Water	5,729,556	5,140,000	89.7%
Chollas Community Park / S00654	Park & Recreation	29,267,867	26,343,967	90.0%
Fire Station No. 05 - Hillcrest / S00788	Fire-Rescue	9,020,000	8,128,077	90.1%
Balboa Branch Library / S00808	Library	7,702,000	6,955,093	90.3%
Coastal Rail Trail / S00951	Transportation & Storm Water	21,905,754	19,925,629	91.0%
Fire Station No. 17 - Mid-City / S00783	Fire-Rescue	8,670,000	7,886,376	91.0%
Street Light Circuit Upgrades / AIH00002	Transportation & Storm Water	36,650,000	33,347,000	91.0%
Fire Station No. 01 - Downtown / S00786	Fire-Rescue	6,317,116	5,800,000	91.8%
North Park Mini-Park and Streetscape Improvements / S10050	Park & Recreation	3,710,000	3,410,000	91.9%
San Carlos Branch Library / S00800	Library	9,274,777	8,526,582	91.9%

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Project	Department	Project Total	Unidentified Funding	Percent Unfunded
South Mission Beach Lifeguard Station / S00791	Fire-Rescue	4,600,000	4,230,064	92.0%
Torrey Pines Improvements Phase I / S00613	Transportation & Storm Water	14,100,000	13,000,000	92.2%
Sixth Avenue Playground Improvements / S00616	Park & Recreation	2,000,000	1,880,000	94.0%
Sea World Drive/Interstate 5 Interchange Imp / S00888	Transportation & Storm Water	109,438,300	105,438,300	96.3%
Scripps Miramar Ranch Library / S00811	Library	1,126,000	1,090,400	96.8%
Encanto Community Park Concession Expansion / S01056	Park & Recreation	153,299	149,108	97.3%
Ocean Beach Branch Library / S00806	Library	8,011,360	7,864,860	98.2%
Beyer Park Development / S00752	Park & Recreation	13,212,000	13,000,000	98.4%
Kumeyaay Lakes Berm Restoration and Dredging / S00655	Park & Recreation	10,000,000	9,840,000	98.4%
Fiesta Island Infrastructure Improvements / S00991	Park & Recreation	253,959,888	250,000,000	98.4%
Rancho Bernardo Library / S00812	Library	3,504,700	3,467,682	98.9%
Kensington/Normal Heights Library / S00795	Library	2,421,530	2,396,530	99.0%
Paradise Hills Library / S00810	Library	8,939,533	8,866,448	99.2%
Fire Station No. 54 - Paradise Hills / S00785	Fire-Rescue	10,295,000	10,211,065	99.2%
Tierrasanta Skate Park / S00997	Park & Recreation	5,000,000	4,975,000	99.5%
Ocean Beach Lifeguard Station / S10121	Fire-Rescue	4,560,000	4,550,000	99.8%
Grant Total			\$1,235,164,999	



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